

Meja Urja Nigam Private Limited

March 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	7,363.20 (Reduced from 7,758.72)	CARE AA-; Stable	Upgraded from CARE A+; Stable
Long-term / Short-term bank facilities	200.00	CARE AA-; Stable / CARE A1+	Upgraded from CARE A+; Stable / CARE A1

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings upgrade on bank facilities of Meja Urja Nigam Private Limited (MUNPL), which is operating a 1,320 MW (2x660) coal-based power plant in Meja, Uttar Pradesh, factors in the sustenance of satisfactory operating performance as reflected by healthy plant availability factor (PAF) post resolution of boiler related issues, which impacted the PAF till FY23. The company reported PAF of 84.7% in FY24, 88.3% in FY25 and 89.9% in 9MFY26 against normative PAF of 85.0% leading to almost full recovery of capacity charges. Ratings also factor in approval of higher capital cost by Central Electricity Regulatory Commission (CERC), vide order dated May 2024 and full realisation of ₹575 crore pertaining to the differential between past billing and higher annual fixed charges post CERC order. Per CARE Ratings Limited (CareEdge Ratings) base case assessment, average debt service coverage ratio (DSCR) is projected to remain above 1.5x over the loan tenor. CareEdge Ratings notes that total debt to earnings before interest, taxation, depreciation, and amortisation (TD/EBITDA) declined significantly from 6.8x in FY23 to 3.0x in FY25, considering improvement in PAF and one time billing in FY25, which is expected to increase marginally, but still remain below 3.5x in the medium term. Successful commissioning of the flue gas desulphurisation (FGD) system in January 16, 2025 for Unit-I and February 28, 2025 for Unit-II mitigates execution risk and is a credit positive. Ratings continue to factor in timely realisation of receivables post implementation of the Late Payment Surcharge (LPS) Rules, 2022 by the Ministry of Power, which is reflected by average collection period of 61 days as on FY24 end and 46 days as on FY25 end.

Ratings continue to factor in the revenue visibility due to the presence of long-term power purchase agreements (PPAs) for entire capacity on cost plus basis, thus yielding stable cash flows. Approval of project cost by CERC and PAF remaining above normative levels has led to full recovery of capacity charges. Presence of long-term long-term fuel supply agreement (FSA) with Central Coalfields Limited (CCL) and Northern Coalfields Limited (NCL) with healthy materialisation of annual contracted quantity (ACQ) since commissioning mitigates fuel availability risk to a large extent. The cost-plus nature of tariff with fuel expenses being pass through subject to normative parameters mitigates fuel price risk to a large extent although higher fuel cost may impact merit order position. Ratings derive comfort from the established track record and extensive project development experience of joint venture (JV) partners. NTPC Limited (NTPC) and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) have equal board representation but most key management personnel, including the Chairman, CEO, and CFO are appointed by NTPC.

Rating strengths are tempered by the moderate counterparty risk as the entire power is being sold to state distribution utilities (with 80% being sold to the UP state distribution utility), which have weak-to-moderate financial profile. Timely payment from off-takers in the recent year mitigates the risk to some extent. MUNPL's capital structure remains leveraged considering debt funded capex incurred for setting up the plant. CareEdge Ratings notes that the company filed a tariff petition with CERC for the approval of fixed charges for the control period FY25-FY29. As articulated by the management, the current billing of fixed charges is in line with the claimed capacity charges. CareEdge ratings also notes that JV partners are evaluating proposals to set up large thermal power projects in Uttar Pradesh. CareEdge Ratings base case assessment does not factor in the capital expenditure associated with Phase II, which shall be evaluated once investment approvals are in place.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Robust operational performance as reflected by actual PAF remaining in line with normative levels on a sustained basis.

Negative factors

- Under-recovery in capacity charges considering actual PAF being lower-than-normative parameters or lower-than-envisaged approval by the commission.
- Deterioration in average collection period beyond 150 days on a sustained basis.
- Deterioration in TD/EBITDA above 4.0x on a sustained basis.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Analytical approach: Standalone

Outlook: Stable

The Stable outlook factors in the presence of long-term PPA, satisfactory plant availability above normative levels leading to full recovery of fixed charges and timely payment from off-takers.

Detailed description of key rating drivers:

Key strengths

Long-term PPA at cost plus tariff leading to stable cash flow

The company has signed PPAs for 25 years from commercial operations date (COD) of the plant with multiple off-takers on cost plus mechanism per CERC tariff regulations. Current allocation to Uttar Pradesh Power Corporation Limited (UPPCL) is ~80% of the total plant capacity. Tariff comprises fixed and energy charges. Capacity charge comprises depreciation, operation and maintenance expenses, interest on term loan, interest on working capital and post tax return on equity of 15.5%. Capacity charges are recoverable in full if the plant availability achieves normative PAF of 85%. Energy charges are determined basis landed cost of fuel applied on the quantity of fuel consumption subject to operations per normative parameters including station heat rate, and auxiliary consumption among others.

Presence of long-term FSA mitigates fuel risk to a large extent

MUNPL has signed 20-year FSAs with CCL and NCL for an ACQ of 5.08 million tonne per annum (MTPA), which are sufficient to run the station at ~72% plant load factor (PLF). Coal availability has been satisfactory leading to low reliance on imported coal. The company increased procurement of coal from NTPC's captive mine leading to lower ACQ realisation from FSA. ACQ materialisation has moderated from ~100% from COD till FY24 to ~89% in FY25 and 76% in 9MFY26. Domestic coal availability remained adequate with 5.42 MTPA in FY25 and 2.48 MTPA in 6MFY26. Coal procurement and fuel linkage arrangements are managed centrally at the NTPC level. NTPC can supply coal from surplus stocks at of its plants to MUNPL when required, billed directly to MUNPL at no-profit basis, under the Flexi Utilization of Domestic Coal scheme introduced by the Ministry of Power in 2016.

The company can meet shortfall in domestic coal by procuring imported coal. While the fuel cost is pass through in nature subject to normative parameters such as station heat rate and auxiliary consumption, higher coal cost may impact the merit order position and PLF.

Robust operating performance from FY24 post rectification of boiler tube leakage issue

The company has significantly improved its operating performance after resolving the boiler tube leakage issue in Unit-II. Following a preventive shutdown from February 2022 to August 2022, which resulted in lower PAF levels of 78.9% in FY22 and 75.3% in FY23, the issue was resolved in a 68-day overhauling process from October 01, 2023, to December 08, 2023, funded through internal accruals. This process has addressed the technical challenges leading to improvement in PAF.

Post restoration, PAF improved to 84.7% in FY24, 88.3% in FY25 and 89.9% in 9MFY26, with PLF rising to 71.4% in FY24 and 74.4% in FY25 & 80% in H1FY26. Auxiliary power consumption also remained better-than-normative standards, reflecting enhanced operational efficiency and reliability.

Approval of capital cost leading to adequate return on investments

MUNPL has received tariff order in May 2024 for the tariff period FY20 to FY24, where CERC approved 99% of the capital cost incurred for setting up 1320 MW power plant. While the company billed on provisional basis at 90% of cost incurred, the company billed the discom entire differential amount of ~₹575 crore in six instalments from June 2024 to November 2024. Going forward, the company would be able to recover Annual Fixed Charges (AFC) based on entire capital cost leading to improved profitability. The company filed tariff petition for FY25-FY29 within the stipulated deadline of November 2024.

Moderate financial risk profile

MUNPL's total operating income (TOI) increased from ₹4,283 crore in FY24 to ₹5,202 crore in FY25. The improvement in TOI is mainly attributable to a favourable tariff order in May 2024. MUNPL was allowed to bill differential amount in six equal instalments starting from June 2024, leading to one time increase in TOI and EBITDA for FY25.

TOI declined from ₹2,851 crore in H1FY25 to ₹2,298 crore in H1FY26, primarily due to the inclusion of ₹383 crore in the earlier period relating to four of six instalments of differential billing amounting to ₹575 crore. Moderation in TOI was also driven by a lower PLF, consequent to power scheduling in the period. MUNPL's leverage and debt coverage indicators improved significantly

in FY25. Its overall gearing stood at 1.68x at FY25-end (FY24: 1.80x), whereas its TD/EBITDA stood at 3.0x in FY25 (FY24: 4.9x). The company's overall average collection period has decreased to 46 days in FY25 compared to 61 days in FY24 and 81 days in FY23 post the launch of PRAAPTI portal by Power Finance Corporation (PFC) and the implementation of the Late Payment Surcharge (LPS) Rules, 2022 by the Ministry of Power.

Established JV partners with large project development experience

MUNPL is a 50:50 JV of NTPC UPRVUNL. MUNPL derives technical and managerial strength from its JV partners, who have supported it during implementation phase and continue to support it in the operations. NTPC is the largest power generation company in India with significant experience in setting up and operating coal-based thermal generation assets across the country. NTPC has been instrumental in providing operational support to MUNPL, which includes project implementation, deployment of senior management to run day-to-day operations and availability of alternate supply of coal to MUNPL from its stations. The other JV partner, UPRVUNL, is a state-owned power generation company of Uttar Pradesh (UP). NTPC and UPRVUNL have equal board representation but most of the key management personnel, including the Chairman, CEO, and CFO are appointed by NTPC, with the Chairman holding final decision-making authority.

Key weaknesses

Counterparty credit risk due to weak financial profile of beneficiaries

MUNPL is exposed to counterparty credit risks in view of relatively weak to moderate financial health of its power off-takers. MUNPL supplies ~80% of its generated power to the state discoms of UP, which are rated between B and C- per Ministry of Power's (MoP's) latest Annual Integrated Rating Report, through a PPA with UPPCL, which is the holding company of UP state discoms. UPPCL has a weak financial risk profile, with sustained net losses, high gearing levels, and significantly stretched payables days. The discoms under UPPCL have been reporting high aggregate technical & commercial (AT&C) losses and average cost of supply and average realisable revenue (ACS-ARR) gap.

Collection efficiency moderated to ~96% in FY25 compared to 109.5% in FY24. Collection performance remained at a comfortable level, with efficiency further improving to ~98% in 9MFY26. CareEdge Ratings notes that the company continues to maintain a healthy receivables profile, with majority collections being realised within 45 days of billing. Presence of payment security mechanism such as letter of credit (LC) for one month of billing, escrow arrangement and third-party sale in of delayed payment mitigates the counter party credit risk to some extent.

Leveraged capital structure; despite improvement since FY22

As a result of delayed project implementation and funding of debt-to-equity ratio of 70:30, the company's TD/EBITDA stood high at 3.0x as on March 31, 2025 (PY: 4.87x). The company has commissioned FGD in system in January 16, 2025 for Unit-I and February 28, 2025 for Unit-II, post which, no significant capital expenditure is expected at the plant.

JV partners of MUNPL are evaluating proposals to set up large thermal power projects in Uttar Pradesh. CareEdge Ratings notes that PPA have been signed for 2400 MW Phase II capacity and Investment approval from NTPC and UP Government is pending. CareEdge Ratings base case assessment does not factor in the capital expenditure associated with Phase II, which shall be evaluated once investment approvals are in place.

Liquidity: Strong

The company has comfortable liquidity in the form of cash and bank balance to the tune of ₹729 crore as on September 30, 2025. The company also tied up cash credit limits of ₹1,800 crore to meet cash flow mismatches. Average utilisation of fund-based working capital limit for 12-months ended September 2025 stood at 42%.

There is enough headroom between the projected gross cash accrual (GCA) for FY26 projected against scheduled repayment. GCA for FY26 and FY27 is ~₹1100-1200 crore against annual principal repayment of ~₹590 crore in FY26 and FY27. Given the operational expertise provided by NTPC, the company enjoys adequate financial flexibility. The company's sizeable cash balance, and healthy cash accruals and unutilised working capital limits, provides a cushion against funds mismatches, and adverse market scenarios.

Applicable criteria

- [Definition of Default](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [Rating Outlook and Rating Watch](#)
- [Thermal Power](#)
- [Financial Ratios – Non financial Sector](#)
- [Infrastructure Sector Ratings](#)
- [Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

MUNPL was incorporated in April 2008 for setting up 1,320 MW (2x660) coal-based super-critical thermal power plant in Meja, district Allahabad, UP. The company is a joint venture of NTPC and UPRVUNL. Debt for the approved project cost has already been tied up with Power Finance Corporation (PFC), State Bank of India (SBI) and Bank of Maharashtra (BOM). First unit of the plant achieved COD on April 30, 2019, and the second unit achieved COD on January 31, 2021.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	4,283	5,202	2,298
PBILDT*	1,434	2,331	860
Profit after tax (PAT)	227	814	239
Overall gearing (x)	1.80	1.68	1.52
Interest coverage (x)	2.54	4.17	3.30

A: Audited UA: Unaudited; Financials have been adjusted per CareEdge Ratings' criteria. Note: These are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	1800.00	CARE AA-; Stable
Fund-based - LT-Term Loan		-	-	31/03/2037	5563.20	CARE AA-; Stable
Non-fund-based - LT/ ST-BG/LC		-	-	-	200.00	CARE AA-; Stable / CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	5563.20	CARE AA-; Stable	-	1)CARE A+; Stable (31-Jan-25)	1)CARE A-; Stable (01-Dec-23)	1)CARE A-; Stable (30-Sep-22)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	200.00	CARE AA-; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1 (31-Jan-25)	1)CARE A-; Stable / CARE A2+ (01-Dec-23)	1)CARE A-; Stable / CARE A2+ (30-Sep-22)
3	Fund-based - LT-Cash Credit	LT	1800.00	CARE AA-; Stable	-	1)CARE A+; Stable (31-Jan-25)	1)CARE A-; Stable (01-Dec-23)	1)CARE A-; Stable (30-Sep-22)
4	Fund-based - ST-Term loan	ST	-	-	-	1)Withdrawn (31-Jan-25)	1)CARE A2+ (01-Dec-23)	1)CARE A2+ (30-Sep-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754-3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-6754-3404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Name: Sabyasachi Majumdar Senior Director CARE Ratings Limited Phone: +91-120-445 2006 E-mail: Sabyasachi.majumdar@careedge.in</p> <p>Jatin Arya Director CARE Ratings Limited Phone: +91-120-445 2021 E-mail: Jatin.Arya@careedge.in</p> <p>Shailendra Baghel Associate Director CARE Ratings Limited Phone: +91-120-445 2020 E-mail: shailendra.baghel@careedge.in</p>
--	--

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**